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Message Text

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ACTION EA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

COME-00 TRSE-00 INT-05 AID-05 IGA-01 OMB-01 AGR-05

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R 141148Z MAR 75
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 1638

S E C R E T BANGKOK 4301

E.O. 11652: GDS
TAGS: PFOR, PINT, TH
SUBJECT: KHUKRIT PRAMOT'S VIEWS ON DOMESTIC AND FOREIGN RELATIONS

1. ON MARCH 14 I CALLED ON PRIME MINISTER-DESIGNATE KHUKRIT PRAMOT TO CONGRATULATE HIM ON HIS SELECTION BY THE PARLIAMENT AS PRIME MINISTER AND TO SAY FAREWELL. I USED THIS OCCASION TO EXPLAIN TO KHUKRIT, AS I HAD PREVIOUSLY TO PRIME MINISTER SENI, FOREIGN MINISTER PHICHAI AND OTHERS, OUR STRONG VIEW THAT NO DATE SHOULD BE IMPOSED FOR THE WITHDRAWAL OF US MILITARY FORCES FROM THAILAND. I EXPLAINED TO KHUKRIT THAT THE FIXING OF A DATE WOULD DETRACT FROM THE DETERRENT VALUE OF THESE FORCES AND ALSO VIRTUALLY ELIMINATE BOTH THE US AND THAI ABILITY TO USE THESE FORCES TO EXTRACT CONCESSIONS FROM HANOI. I SAID IT WOULD BE FAR PREFERABLE IN HIS POLICY STATEMENT, IF IT WERE NECESSARY TO REFER TO THE US FORCES, TO SAY THEY WOULD BE REDUCED AS RAPIDLY AS THE SITUATION IN SOUTHEAST ASIA PERMITTED.

2. KHUKRIT SAID HE FULLY AGREED AND FELT THAT THIS WAS TO A CERTAIN EXTENT AN ARTIFICIAL ISSUE. HOWEVER, SINCE HIS BROTHER SENI HAD INCLUDED AN 18-MONTH DEADLINE IN HIS POLICY STATEMENT, IT WOULD BE POLITICALLY MOST DIFFICULT FOR HIS CABINET TO LEAVE THE MATTER OPEN ENDED. HE SAID, HOWEVER, THAT HE WOULD HOPE TO INCLUDE SUFFICIENT QUALIFIERS
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IN HIS POLICY STATEMENT TO THE EFFECT THAT THE RATE OF

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WITHDRAWALS WOULD BE REVIEWED IN THE LIGHT OF CONDITIONS
IN SOUTHEAST ASIA. THIS WOULD MAKE IT POSSIBLE TO SLOW
DOWN OR STOP ENTIRELY THESE WITHDRAWALS IF BOTH GOVERNMENTS
FELT THIS WAS DESIRABLE.

3. NEXT I BRIEFED KHUKRIT ON THE TEMCO SITUATION ALONG LINES
I HAD USED WITH PRIME MINISTER SENI AND OTHERS. I ADDED ALSO
THAT I HAD JUST LEARNED A MAJOR INVESTMENT IN THAILAND BY
A US ZINC FIRM WAS BEING DELAYED PENDING THE OUTCOME OF THE
TEMCO AFFAIR. KHUKRIT SAID THE AGITATION AGAINST TEMCO, AS
WELL AS THAT AGAINST THE US MILITARY PRESENCE, WAS SPARKED BY
A FEW WELL-ORGANIZED "SO-CALLED LEFTISTS." HE AGREED FULLY
WITH MY COMMENT THAT FOREIGN INVESTMENT IN THAILAND
WOULD BE SERIOUSLY HURT BY CANCELLATION OF THE TEMCO CONCESSION
WITHOUT ADEQUATE COMPENSATION. HE SAID HE HOPED SENI WOULD
NOT TAKE THIS ACTION; IF HE DID, CONSIDERING THE EMOTIONALISM
OF THE ISSUE, IT WOULD BE EXTREMELY DIFFICULT FOR KHUKRIT'S
CABINET TO UNDO IT. HE THOUGHT, HOWEVER, THAT THE ULTIMATE
REMEDY MIGHT WELL LIE IN THE COURTS. KHUKRIT SAID HE HAD
BEEN TOLD BY A NUMBER OF JUDGES THAT TEMCO HAD AN EXCELLENT
CASE. IF THE GOVERNMENT REVOKED ITS CONCESSION, THE COURTS
MIGHT WELL DECREE THAT THIS REVOCATION WAS ILLEGAL OR
AT THE VERY LEAST THAT TEMCO SHOULD RECEIVE FULL COMPENSATION.

4. I ALSO BRIEFED KHUKRIT ON PROSPECTS FOR US AID, POINTING
OUT CURRENT DOMESTIC DIFFICULTIES IN THE US. I NOTED THAT
THAILAND'S ECONOMIC PERFORMANCE LAST YEAR WAS EXCELLENT AND
THAT OUR ECONOMIC AID WAS NEEDED ONLY IN LIMITED WAYS. IN THIS
CONNECTION, I MENTIONED THAT TWO CONCESSIONAL LOANS THAT WE
HAD MADE WERE NOT MOVING RAPIDLY. THAILAND HAD THE OPPORTUNITY
TO USE THESE FUNDS FOR FEASIBILITY STUDIES AND IMPROVED
AGRICULTURAL CREDIT IF IT REALLY WANTED TO MOVE AHEAD IN THESE
AREAS.

5. I SAID THAILAND'S SITUATION REGARDING MILITARY AID WAS MORE
SERIOUS SINCE THE RTG LACKED ALTERNATIVE SOURCES FOR MILITARY
AID AND WOULD HAVE TO TAP THE THAI BUDGET FOR ADDITIONAL
EXPENDITURES, THUS AGGRAVATING THE CURRENT BUDGET PINCH.
I SAID I HAD DONE EVERYTHING I COULD THROUGH MAP AND THE USE
OF EXCESS PROPERTY TO BE HELPFUL BUT THAT KHUKRIT SHOULD BE
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AWARE THAT THERE WERE SEVERE LIMITATIONS ON WHAT WE COULD DO
IN THIS FIELD. KHUKRIT ASKED ABOUT THE POSSIBLE ECONOMIC
USE OF AIR FIELDS WHICH THE US FORCES NO LONGER REQUIRE. I
BRIEFED HIM ON OUR BELIEF THAT SOME OF THESE BASES COULD BE
USED FOR ECONOMIC PURPOSES. KHUKRIT SHOWED GREAT INTEREST IN
THIS POSSIBILITY.

6. ON THE THAI INTERNAL SITUATION, KHUKRIT WAS HIS USUAL CYNICAL

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SELF. PARLIAMENT, HE SAID, IS TOTALLY IRRESPONSIBLE. MEMBERS WITH LONG LAST NAMES (A SARCASTIC REFERENCE TO SINO-THAI) ARE TRYING TO USE THE PARLIAMENT SOLELY TO BECOME CABINET MINISTERS. THEY HAVE NO IDEOLOGICAL CONVICTIONS BUT ARE MERELY SEEKING "SELF GRATIFICATION" FOR THEIR FAMILIES. HE SAID HE HOPED HIS CABINET'S PROGRAM WOULD BE APPROVED BY THE PARLIAMENT ON WEDNESDAY, MARCH 19. HE STRESSED THAT SOME STABILITY HAD TO BE ACHIEVED. VARIOUS GROUPS COULD NOT GO TO THE KING EVERY FEW DAYS TO SEEK HIS APPROVAL FOR A NEW CABINET.

7. WHEN I ASKED KHUKRIT WHAT, IN HIS VIEW, WAS THAILAND'S SINGLE MOST IMPORTANT PROBLEM, HE REPLIED WITHOUT HESITATION "LIVELIHOOD." HE SAID THE MAJORITY OF THE THAI PEOPLE, AND PARTICULARLY THE 85 PERCENT WHICH LIVES IN RURAL AREAS, IS CAUGHT BY INFLATION ON THE ONE HAND AND RELATIVELY FIXED INCOMES ON THE OTHER. KHUKRIT SAID HE THOUGHT STEPS WERE URGENTLY REQUIRED TO INCREASE THAILAND'S AGRICULTURAL PRODUCTION AND THEREBY THE INCOME OF THE FARMERS. MECHANIZATION, HE SAID, WAS NOT THE ANSWER. THAILAND HAS LOTS OF PEOPLE AND NEEDS LABOR INTENSIVE ACTIVITIES. HE FELT THAT THE FARM SIZE SHOULD BE FIXED AT TEN ACRES WHICH WOULD BE "AN ECONOMIC UNIT" ADEQUATE TO SUPPORT THE AVERAGE FAMILY. THE STEPS SHOULD BE TAKEN THROUGH GOVERNMENT SUBSIDY OF FERTILIZER SALES AND OTHER MEASURES TO INCREASE OUTPUT. WHEN I MENTIONED SUGAR CANE PRODUCTION IN THE WEST-CENTRAL PART OF THAILAND AS ONE PROMISING ECONOMIC ACTIVITY, KHUKRIT SAID THIS PROVIDED EMPLOYMENT FOR MANY PEOPLE BUT THE PROBLEM WAS THAT THE SUGAR FACTORIES WERE CONCENTRATED IN A FEW HANDS AND THAT THIS WAS IN A SENSE A SEMI-FEUDAL SYSTEM

8. COMMENT: KHUKRIT WAS HIS USUAL CONFIDENT, URBANE AND HIGHLY INTELIGENT SELF. HE HAS AN INCISIVE MIND, CAN TALK INTELLIGENTLY ON ALMOST ANY SUBJECT AND HAS A GOOD

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GRASP OF WHAT IS REQUIRED TO MOVE THAILAND FORWARD. HIS GREATEST SHORTCOMING IS THAT HE DOES NOT SUFFER FOOLS GLADLY. SINCE MOST PEOPLE ARE NOT HIS INTELLECTURAL EQUALS, HIS ARROGANCE IS FREQUENTLY APPARENT. IT MAY WELL BE THAT HE WILL HAVE BEEN A MORE SUCCESSFUL PRIME MINISTER IN "THE UGLY AMERICAN" THAT IN REAL LIFE.
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